

# retired Educator

Semi-annual newsletter for California State Teachers' Retirement System benefit recipients Winter 2000

## Health Care Benefits Effort Takes Next Steps

The **CalSTRS health care benefits project** passed two major milestones in late 1999. CalSTRS staff presented to the Teachers' Retirement Board a detailed feasibility study report that summarized the member/employer Health Benefits Survey and provided a broad set of recommendations for the design of the program. In addition, state legislation, passed and signed at the end of the 1999 session, requires CalSTRS to develop a health care benefits program.

### First Bill Required Study

In 1998, legislation passed requiring CalSTRS to study the feasibility of providing health care benefits to active members and their families and to CalSTRS benefit recipients. The program would include health, dental and vision coverage and be funded by participants and/or their employers.

CalSTRS and William H. Mercer, Inc. developed the survey and sent it to employers and members, including benefit recipients. The response rates for return of the surveys were very high. About 38 percent of the 6,000 active members, 60 percent of the 4,000 benefit recipients and 29 percent of employers returned their surveys. Mercer technical staff tabulated and verified the responses.

Survey results were used in the development of the report presented to the Teachers' Retirement Board in November. The report discussed the need and demand for a health care benefits program, appropriate health care program designs and methods of administering and financing the program.

As the year progresses, the board will continue to discuss the various issues surrounding the development of a health care benefits program. These issues include:

- ▶ governance (who will make decisions on the administration of the program)
- ▶ subsidy (will Teachers' Retirement Fund monies be used to reduce premiums for active and/or retired members)
- ▶ membership (will the program be open to both certificated and classified employees)

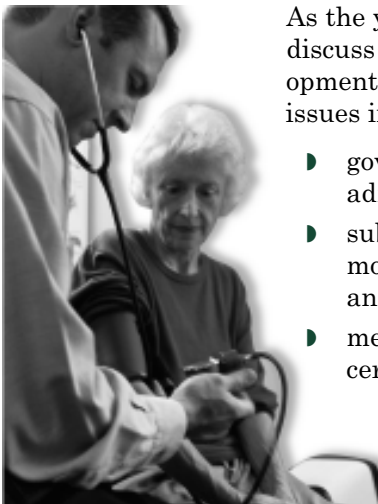
## Minimum Allowance Raised

**The Teachers' Retirement Board, Legislature and governor** focused last year on the needs of California's oldest and neediest retired educators and passed SB 713 (Burton). The legislation raises the minimum annual amount given to members who taught in California many years ago, when salaries were lower.

The total annual allowance, including purchasing power payments, now payable to a currently retired member is at least \$15,000 for 20 years of service credit. This amount rises incrementally to \$20,000 annually for retired teachers with 30 years of service credit. (Service credit from unused sick leave or the Golden Handshake program is not included in the computation.)

### Study Results Galvanized Board

A recent study of CalSTRS' oldest benefit recipients identified about 23,000 retired teachers with 20 or more years of service credit who were receiving allowance amounts near or below the poverty level. The board strongly felt this situation should be rectified and voted to sponsor the legislation.



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## From the Desk of Marty Mathiesen

**I have some very good news and some pretty good news.** Legislation needed to secure the second payment of funds from the sale of the Elk Hills Petroleum Reserve has made its way through Congress and President Clinton has signed the bill. However, actual payment to California may be deferred a few months.

The process to secure payment of Elk Hills funds from Washington focuses each year on making sure funds are included in the House and Senate Interior Appropriations proposed budget legislation. This was accomplished late in 1999, when the final House and Senate Conference Agreement on Interior Appropriations legislation was drafted to contain the \$36 million due for the 1999–2000 installment.

### **Payments from 1997 Sale**

Originally, in October 1997, the federal government sold the Elk Hills Petroleum Reserve to Occidental Petroleum for \$3.65 billion. Nine percent of the total, or \$320 million, was earmarked for California's retired teachers as compensation for the "school lands" portion of Elk Hills. CalSTRS is to receive the \$320 million in seven annual installments. The first one arrived last April.

The payments go into the Supplemental Benefit Maintenance Account, which maintains the

purchasing power protection for older retired members who see their benefits eroded by inflation.

### **Payment will be Delayed**

While it's good that we're getting the second installment, the payment won't be coming as quickly as we'd like. Normally, payment of the installment would occur around March 30, 2000, which is during the current federal fiscal year.

However, in order to keep certain expenditures below a federal budget cap, the actual payment will be delayed until the next fiscal year, on October 1, 2000. Although this will delay receipt of the funds by CalSTRS, let me assure you this will not affect when recipients of the purchasing power protection receive their quarterly payments.

We owe thanks to the California congressional delegation, including the seven Californians on the House Appropriations Committee, for securing the appropriation. Efforts from the delegation, as well as members of the Clinton administration and CalSTRS staff, made it happen again this year. Our representatives in Washington will be vigilant until the process is completed and the payment is made. And then we'll start the process all over again next year.

“ . . . let me assure you this [delay] will not affect when recipients . . . receive their quarterly payments. ”

# Big Year for Good News

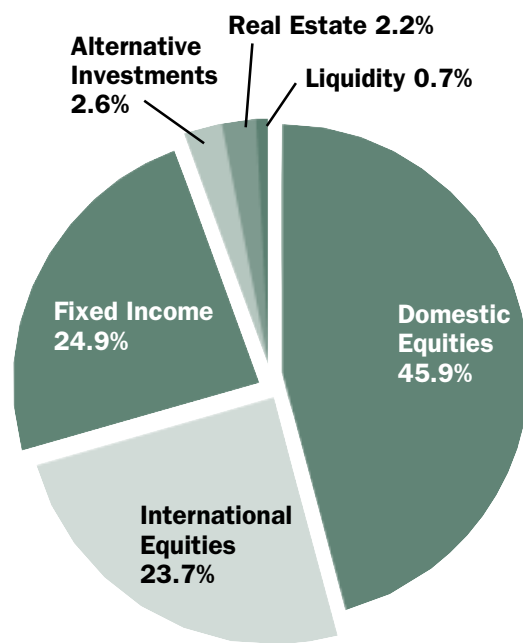
**The 1998-99 fiscal year** saw several major milestones for CalSTRS members. The Teachers' Retirement Fund became fully funded, hit \$99.9 billion and earned a stellar 13.35 percent return on investments.

## Full Funding Finally Achieved

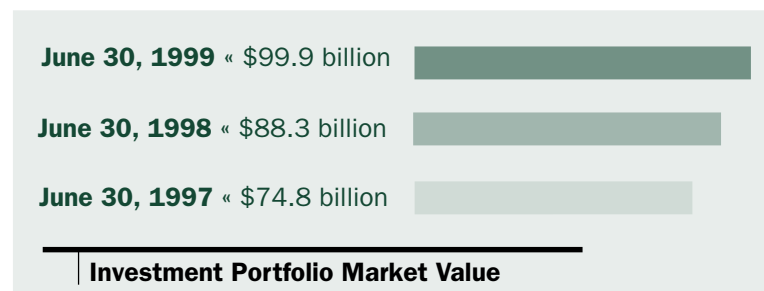
An actuarial valuation, presented to the Teachers' Retirement Board in April 1999, showed the Defined Benefit Program to be 104 percent

and international stocks. Returns for these stocks were 19.3 percent and 12.9 percent respectively.

This is the fifth straight year for double-digit returns and CalSTRS' best showing compared to most large pension funds. The investment results caused the fund to outperform 91 percent of other domestic public and private pension funds with more than \$1 billion in assets.



Asset allocation (6/30/99)  
Total investment portfolio of \$99.9 billion



funded as of June 30, 1998. That meant CalSTRS had more funds than was needed to pay the cost of the benefit plan in effect on June 30, 1998.

A higher than expected investment rate of return was the primary reason for the fully funded status. For the year that ended June 30, 1998, the investment rate of return was 18 percent.

## \$99.9 Billion Mark on June 30

CalSTRS finished the 1998-99 fiscal year with \$99.9 billion in the fund, up \$11.8 billion from the previous year.

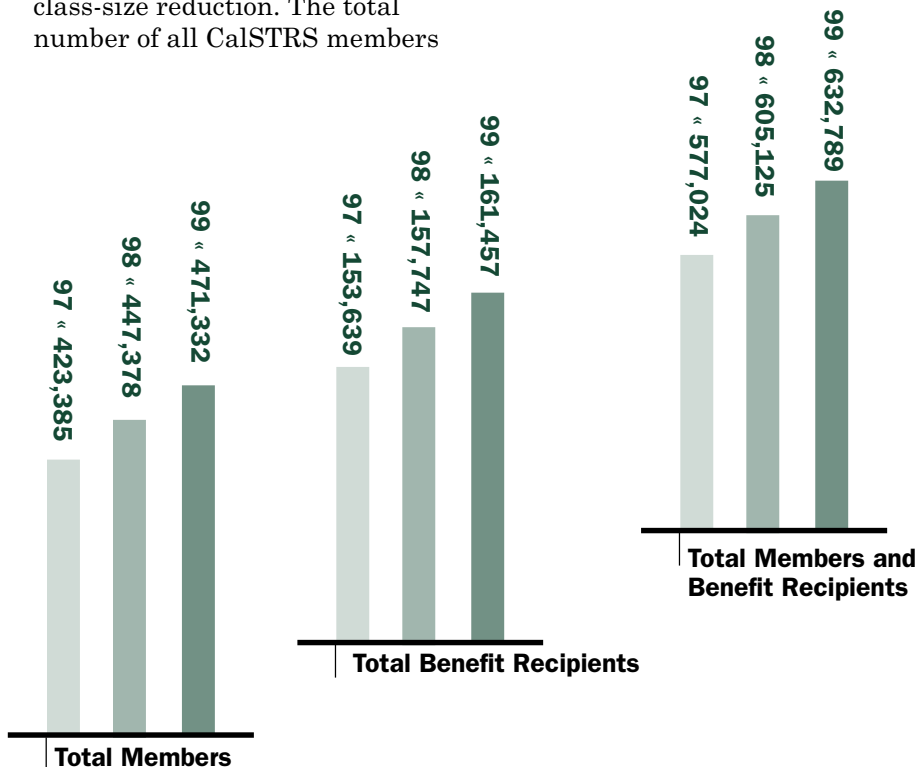
## Investment Returns in Top 10 Percent

CalSTRS recorded a 13.35 percent return on its investments for the year ended June 30, 1999. The strong investment performance was driven primarily by domestic

## Membership Climbs Again

The membership picture continued to reflect the growing number of children in California schools and the continued phasing-in of class-size reduction. The total number of all CalSTRS members

and benefit recipients climbed this year to 632,789, up from 605,125. Active membership increased by 16,690, or 4.3 percent, to a total of 402,220.





#### RESULTS ARE IN

**Sixty percent of the 4,000 retired members, survivors and disabled members responded to the Health Benefits Survey. Here is a summary of the survey results for this group.\***

- ✓ More than 90 percent have coverage other than Medicare—with most incurring a significant cost.
- ✓ Almost 80 percent over age 65 have Medicare at no cost
- ✓ 5 percent pay for Medicare Part A at significant cost
- ✓ Almost 20 percent are not covered by Medicare
- ✓ About 10 percent have **no** health care coverage

*\*from revised Feasibility Study Report, November 1999*

#### Second Bill Passed

As the study was proceeding, new legislation signed by the governor requires CalSTRS to proceed to the next phase of the process. The new law directs CalSTRS to develop a health care benefits program. The revised feasibility study report will be used as a basis for the board to determine the type of health care benefit program to be designed.

#### Third Bill Needed

Additional legislation will be needed to implement the program being developed. Gov. Davis has already indicated his desire to see a program put in place. In a mes-

sage accompanying his action on other legislation, Gov. Davis said he wanted to reserve CalSTRS funds for costs in implementing a future health care benefit program.

You can read the revised Feasibility Study Report and keep current on the project as CalSTRS moves forward with the program development by checking the CalSTRS Web site at [www.calstrs.ca.gov](http://www.calstrs.ca.gov).

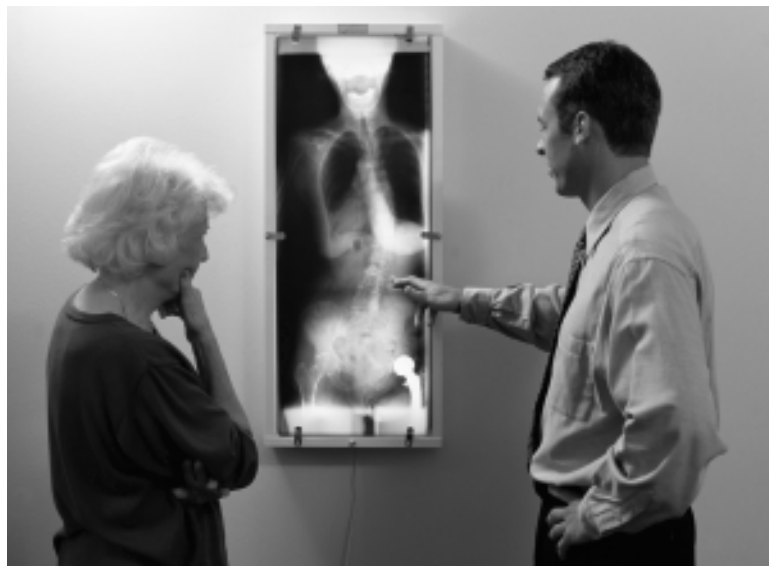
#### CalSTRS 403(b) Program Can Benefit Retired Members

The Teachers' Retirement Board offers the CalSTRS 403(b) Program, a low cost tax-deferred supplemental savings program, to retired members. Retired members are eligible to participate by moving existing 403(b)/tax sheltered annuity balances to the program.

CalSTRS 403(b) Program participants select from a menu of high-quality investment options, including:

- Provident Institutional Fund's TempCash Prime Money Market Mutual Fund
- S&P 500 Index Fund
- EAFE Equity Index Fund
- Self-Managed Account, which permits members to invest in 2000 different mutual funds

If you have questions or want to obtain a CalSTRS 403(b) Program information packet, call the program directly at 800-699-4032 Monday through Friday, 9:00 a.m. to 5:00 p.m. to speak to a customer service representative. CalSTRS 403(b) Program members can use the automated telephone system to access their account information by calling the toll-free number 24 hours a day, seven days a week.



# Is Your Beneficiary Designation Up To Date?

## Beneficiary Review Part of Careful Planning

When a member dies, the member's designated beneficiary receives a lump-sum payment. Therefore, an up-to-date CalSTRS beneficiary designation is essential for your sound personal planning. It will enable you to direct the CalSTRS lump-sum death payment, currently \$5,598, to your designated beneficiary. If no beneficiary designation is in effect for you on the date of death, the lump-sum payment will be made to your estate and may be subject to the probate process.

## Has Your Status Changed?

If you have recently married, divorced, or lost a spouse, you may want to update your CalSTRS beneficiary designation. Marriage

or divorce does *not* automatically invalidate a beneficiary designation.

A beneficiary designation received by CalSTRS *before* January 1, 1987, is *not* valid if:

- you have become married or divorced since your beneficiary designation was received by CalSTRS, and
- your marriage or divorce occurred before January 1, 1987

A beneficiary designation received *after* January 1, 1987, is valid until you revoke it, whether or not you have become married or divorced since then.

If you are unsure of your lump-sum designated beneficiary, your best bet is to fill out a new Benefi-

ciary Designation Information form, MS 0002, and mail it to CalSTRS. To do so, you can call CalSTRS automated telephone system. At the main telephone menu, you can:

- ❑ select the Teletalk Forms-Ordering option and order a Beneficiary Designation Information, MS 0002, mailed to you

or

- ❑ select Public Service option and a technician will come on the line and quickly review your computer record with you

Or you can:

- ❑ use a computer to log on to the CalSTRS Web site and download a Beneficiary Designation Information form directly. The CalSTRS Web address is [www.calstrs.ca.gov](http://www.calstrs.ca.gov)

See the back page for CalSTRS telephone numbers.

## It's Our Future—Don't leave it blank!

In March, you'll find the Census 2000 questionnaire in your mail box. The form will be easy to read and fill out. However, if you have any trouble, you can get assistance by calling the toll-free telephone number printed on the questionnaire. You'll be asked to return it, postage-free, on April 1. The Census 2000 people want it to be as easy as possible to answer the questionnaire because the stakes are so high.

### How are the numbers used?

Census 2000 will be the information cornerstone for the next decade. Billions of dollars of federal, state and local funds will be spent on thousands of projects across our nation. How and where that money is spent depends on the census numbers.

Census statistics help determine where to build more roads and hospitals. They are used to determine congressional representation, state legislative redistricting and funding to local governments. In addition, the information aids in the distribution of funds and development of programs for those needing help, such as the elderly and people with disabilities.

Government officials aren't the only ones who use census data. Organizations and people from many walks of life use census data for such purposes as advocating for causes, researching markets and locating pools of skilled workers.

Not having all the numbers can be devastating. An estimated 838,000 Californians weren't counted in the 1990 census, which represented a loss of more than \$2 billion in federal funds this past decade. And most of the money lost would have been devoted to healthcare services for older residents of the state.

Your individual answers to the census are important and, by law, will be kept confidential. So, once you get the Census 2000 questionnaire in the mail, promptly complete and mail it back. You'll help ensure a complete count of California and a better future for all Californians.

# Cost Control Limits CalSTRS' Expenses

by Patrick Mitchell, Chief Investment Officer

**California teachers' retirement benefits** have never been more secure. Excellent investment returns, coupled with substantial improvements in the California economy, provide a "rock solid" retirement package. The Teachers' Retirement Board continues to take diligent action, balancing safety and liquidity with high expected investment returns.

As the Chief Investment Officer, I have written a series of articles that describe the philosophy contained in the CalSTRS Investment Management Plan. One of the areas of concentration in the plan is cost control. Benjamin Franklin has been credited with saying "a penny saved is a penny earned." CalSTRS takes a similar stance when it comes to investment-related expenses.

The *Wall Street Journal* estimates that the average equity mutual fund charges between 1.25 percent and 1.50 percent in annual management fees. *Money Management* magazine estimates that the annual management fee for the average bond fund is between 0.50 percent and 1.0 percent. Assuming a 60 percent equity and 40 percent bond allocation, it would be necessary for CalSTRS to pay a 1.00 percent management fee if we chose to invest using the average mutual fund. This represents a potential annual expenditure of \$950 million for just last year!

CalSTRS spends about \$50 million per year on investment management-related expenses, which includes salaries and staff expenses, external management fees, custody charges and consulting fees. Calculated, this equals 0.05 percent on an annual basis.

How does 0.05 percent compare to other large pension plans? In a nationwide comparison of large pension funds (\$1 billion or larger in assets) investment-related expenses average between 0.10 percent and 0.20 percent. On a comparative basis, CalSTRS' investment expenses are low due to:

- ▶ size—bigger is better
- ▶ percent of fund under passive management—more is cheaper

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## A penny saved produces higher returns for the Teachers' Retirement Fund.

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- ▶ percent of fund under internal management—more is better
- ▶ public fund—lower cost than corporate (private) counterparts

The following illustration shows why expenses are important. If you start with \$1,000 and earn 11 percent annually for 40 years, you end up with \$6,500. If you start with \$1,000 and earn 10 percent annually for 40 years, you end up with \$4,525. The additional \$2,000 difference (a 44 percent increase) shows the power of expense control; lower costs mean more income.

We know \$50 million for expenses is still a tremendous amount of money, so the investment team has identified income-producing

programs designed to mitigate or offset investment-related expenses. CalSTRS has concentrated on three income-producing programs:

- ▶ securities lending
- ▶ credit enhancement
- ▶ home loans

The amount of income produced over the last 12 months was more than \$70 million. This more than offsets CalSTRS' investment-related expenses. In a future article, I will elaborate on the three income-producing programs.

In summary, CalSTRS paid out approximately \$50 million in investment-related expenses during the past year, which computes to an expense ratio of 0.05 percent. This compares favorably to mutual funds that average around 1.00 percent (\$950 million) or other large pension plans that average between 0.10 percent and 0.20 percent (\$100 million to \$200 million).



# New Features and More Lenders for Home Loan Program

**CalSTRS recently put the finishing touches** on several enhancements to the Home Loan program. Now you can arrange for a new home loan or refinance an existing one in any of hundreds of mortgage loan offices around the state. Participating lenders' loan terms and conditions are competitive with other programs in California and CalSTRS has two new loan programs.

A major change is the addition of 10 home mortgage loan companies, for a total of 12 participating CalSTRS lenders, making it possible to find a CalSTRS-affiliated lender in almost any California community. Current lenders are listed below.

To qualify for a CalSTRS home mortgage loan, your home purchase or refinance must meet several conditions, including:

- ▶ the home you plan to purchase must be your principal residence
- ▶ the home must be located in California
- ▶ your mortgage loan amount cannot exceed \$350,000

- ▶ any loan that is for 80 percent or more of the cost of the home must have private home mortgage insurance

The CalSTRS Home Loan program offers you choices on terms and home types you can purchase or refinance. You can obtain a home mortgage loan for 15-year or 30-year terms on fixed-rate loans to purchase a:

- ▶ single-family dwelling
- ▶ two-family dwelling
- ▶ three-family dwelling
- ▶ four-family dwelling
- ▶ single-family cooperative apartment
- ▶ single-family condominium

Your CalSTRS home mortgage loan will have a competitive interest rate. You will also have the ability to lock in the lowest interest rate available on either:

- ▶ the date your application is accepted or
- ▶ the date of lender approval or
- ▶ the date your escrow documents are drawn

## New Loan Programs

CalSTRS offers a "no points, no fees" option in which you can borrow up to 95 percent of the price of the home and:

- ▶ CalSTRS pays all non-recurring costs
- ▶ you pay only 5 percent down and pre-paid interest charges and property taxes
- ▶ your loan interest rate is competitive

CalSTRS and the California Housing Loan Insurance Fund (the insurance arm of the California Housing Agency), have joined forces to offer a special, no-down payment mortgage loan program. The CalSTRS/CaHLIF Zero-Down Preferred Program makes purchasing a home more affordable with its second mortgage payment plan that may be deferred for the life of the loan.

The program combines the traditional 95 percent loan-to-value with the secondary financing provided by CalSTRS equal to 5 percent of the purchase price of the home. The interest rate on the second mortgage will be the same as the first mortgage. The program has certain restrictions and will initially be offered through North American Mortgage Company. For details, you can call them at 1-800-700-6272.

## More Information

Visit the CalSTRS Web site at [www.calstrs.ca.gov](http://www.calstrs.ca.gov) for more information on the CalSTRS Home Loan program, including an up-to-date list of lenders participating in the program. At the home page, select Benefits and Programs, then select Home Loans.

## LENDER LIST

Bank of America .....	See your local branch
California Coast Credit Union .....	1-619-495-1600
Countrywide Home Loans .....	1-800-877-LOAN (5626)
CU Mortgage Corp. ....	1-800-576-3577
First Mortgage Corp. ....	1-888-279-9427
Lancaster Mortgage Services, Inc. ....	1-800-404-0536
Marina Mortgage Co. Inc. ....	1-800-860-4065
Mission Federal Credit Union .....	1-858-546-2039
Orange County Teachers' Federal CU .....	1-800-462-8328
North American Mortgage Company .....	1-800-700-6272
Norwest Mortgage Corp. ....	1-800-317-3601
The Golden 1 Credit Union .....	1-916-732-2828

[More mortgage loan organizations are being added each month to the CalSTRS lender list. For an up-to-date list of participating lenders, check the CalSTRS Web site.]



Funding for this benefit comes from “excess earnings” of the Teachers’ Retirement Fund. CalSTRS only recently became fully funded and those investment earnings, over and above what was needed to maintain the current benefit structure, were available to pay for this benefit.

### Hopes High for Future Benefits

The board sees this as, hopefully, the first of ongoing improvements targeted at increasing the allowances of these retired members, as well as all CalSTRS retired members. The board had previously adopted the policy of using “excess earnings” to fund a number of benefit improvements. Staff will work with the retirement coalition, which represents active and retired CalSTRS members, to accomplish these increases in the 2000 legislative session.

### When Does the Increase Begin?

CalSTRS has identified who is eligible for the increased allowance and will send a notification packet to each eligible benefit recipient **by April 1, 2000.**

The minimum allowance is effective January 1, 2000. However, payments will begin July 1, 2000, and include a retroactive payment for the period January 1 through May 31, 2000, and payment for June 2000.

### Your Right to Decide

If you are eligible for the new minimum income, you will have the right to elect *not* to receive the increase, if, for example, accepting this increase would jeopardize your eligibility for public assistance.

Use the waiver form in the notification packet if you do not want the increase. Completed waiver must be returned by May 1, 2000.

### Minimum Allowance Details

For a member who retired for service to be eligible, you must have been an active member who was at least 55 years old when you retired.

To determine if your allowance qualifies for this benefit, CalSTRS added quarterly Supplemental Benefit Maintenance payments to your annual CalSTRS allowance amount. CalSTRS does *not* include, however, any payments you may be receiving from tax-sheltered annuity or annuity deposit contribution programs.

If the total was less than the minimum guarantee amount, your annual allowance amount will be increased to the minimum amount. Some benefit recipients may receive a lower minimum allowance depending on which beneficiary option was selected.

### Other Payments

You will continue to receive the quarterly payments separately and these payments will *not* be reduced because of this increased benefit.

### COLAS will Continue

In the future, the new annual allowance amount will be increased each year by the CalSTRS 2 percent cost-of-living adjustment.

### Web Site Provides Information

For more details, log on to the CalSTRS Web site at [www.calstrs.ca.gov](http://www.calstrs.ca.gov).



## Extra! Extra!

### More Affordable Long-Term Care Plans in 2000

The number of long-term care programs available to CalSTRS members through the California Public Employees’ Retirement System will expand in 2000. The new plans will have lower monthly premiums and lower benefits. Buyers will have more choices because most of the previous plans will also be offered.

All CalSTRS members, whether active or retired, plus their spouses, parents and parents-in-law are eligible to apply for a CalPERS long-term care plan.

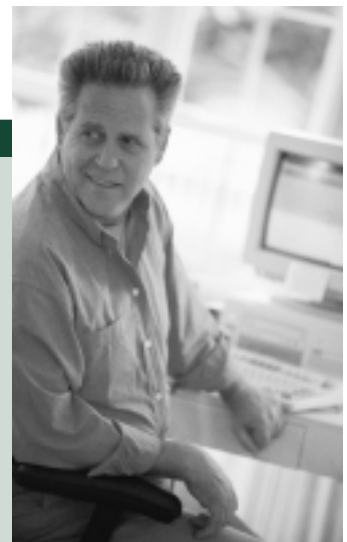
Up to 60 percent of Americans over age 65 will need long-term care at some time. Medicare and health insurance plans typically do not cover long-term care needs. The CalPERS plans can pay for care at home or in a nursing facility anywhere in the United States.

The CalSTRS application period for 2000 is set for April 1 to June 30, 2000. If you want more information or an application kit, call the Long-Term Care Program direct at 1-800-338-2244 24 hours a day. CalPERS will mail kits to requestors in March 2000.

## Web Site Features for Benefit Recipients

The expansive CalSTRS Web site offers many features and sources of information to benefit recipients, as well as active members. These features can be accessed at the CalSTRS Web site at [www.calstrs.ca.gov](http://www.calstrs.ca.gov):

- a list of home mortgage companies participating in the successful CalSTRS Home Loan Program, as well as a current loan rate
- regular updates on the development of the Health Benefits Project
- “State Legislation” page, accessed from the External Affairs page, provides a list of current bills that may affect CalSTRS benefits and an analysis of each of these bills. Members can determine who is his or her state legislator or “subscribe” to a bill and be alerted by e-mail of any action on the bill.
- latest CalSTRS investment portfolio results
- past and upcoming agendas for Teachers’ Retirement Board meetings
- most recent CalSTRS publications, including the *Bulletin*, *Retired Educator* and *Comprehensive Annual Financial Report*
- details of all benefit programs through the *CalSTRS Member Handbook*
- links to other state agencies and retirement systems
- easy-to-use search engine to assist you in your searches



Access the CalSTRS  
Web site at  
[www.calstrs.ca.gov](http://www.calstrs.ca.gov)

## Use Direct Deposit and Avoid a Line



**Hate waiting in a long line to deposit your CalSTRS allowance check?** Even the line at the nearby ATM can snake out into the parking lot on the first of the month.

CalSTRS offers Direct Deposit service that allows you to have your allowance check automatically deposited in your bank or savings institution. On the first business day of each month, your allowance arrives electronically in your account, and a Direct Deposit Advice is mailed to your home address.

To sign up for Direct Deposit, call CalSTRS automated telephone system. At the main telephone menu, select Teletalk and the Form-Ordering Option to request a Direct Deposit Authorization form, MS 1130. If you have access to the Internet, you can download a form MS 1130 from the CalSTRS Web site, fill it out and mail it to CalSTRS. See back page for the CalSTRS Web address and telephone numbers.

So, avoid the wait in line and have your monthly CalSTRS allowance check electronically deposited to your account.



## Extra! Extra!

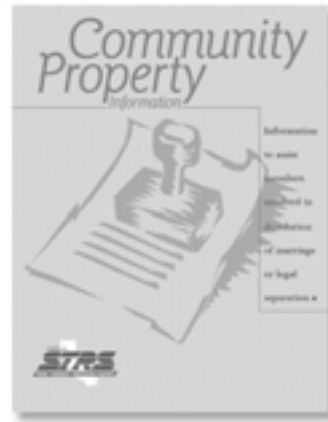
### Community Property Information Booklet Available

CalSTRS recently published a booklet that may be helpful to some members and benefit recipients. *Community Property Information*, PAO 211, is now available.

The booklet provides information and sample forms concerning methods of division of community property and survivor benefits in the event of the divorce or legal separation of a member.

You can obtain a copy by calling the CalSTRS automated telephone system and selecting the forms-ordering option at the main menu. See back page for telephone numbers.

**On The Web** You can review this publication on the CalSTRS Web site at [www.calstrs.ca.gov](http://www.calstrs.ca.gov)



## Want to Find Someone From Your Past?

### Use the Internet for Your Search

**After many years of separation**, would you like to get in touch with an old friend or associate? Computer technology allows you to use the power of the Internet to search quickly for individuals in California and around the United States. Searching online can be productive, but you must be persistent, and the Internet does have some limitations.

Fortunately, even without a computer at home, you can still use the Internet. Most local library branches are online and have staff available to help get you started using the resources of the Internet.

#### Free Telephone Number Resources

Some sites use information produced by a clearinghouse that puts telephone and address listings online for users. The clearinghouse scans more than 5,000 telephone books a year and puts them online. The search Web sites listed below then quickly review telephone listings for you when you inquire.

To begin, you would go to the search site you wish to use by typing in the Web address at the address line. When the Home Page of the search site comes up, enter the first and last name of the person you have in mind. You can also enter the presumed city and state of the person you are searching for, or you can leave them blank and search through all listings across the nation.

Search responses are fairly quick, taking less than a minute. You can inquire as many times as you want with as many individual names or locale variations as you wish.

You can start your search for a residential telephone number or address by using:

[www.WhitePages.com](http://www.WhitePages.com)

[www.anywho.com](http://www.anywho.com)

[www.Bigfoot.com](http://www.Bigfoot.com)

[www.InfoSpace.com](http://www.InfoSpace.com)

[www.switchboard.com](http://www.switchboard.com)

[www.WhoWhere.com](http://www.WhoWhere.com)

A few sites specialize in business telephone information:

[www.WorldPages.com](http://www.WorldPages.com)

[www.GTESuperpages.com](http://www.GTESuperpages.com)

The clearinghouse resource has some limitations. Unlisted telephone numbers are, naturally, not included. The online listings are updated annually when new telephone books are produced. It can take weeks of manual labor to scan all the pages of a large telephone book into a search database. New numbers would then be available for searching a few months after the telephone book is manually distributed to users. So, don't assume you will find the current telephone number of someone who has moved or changed a telephone number recently.

If you had thought you could never find your favorite fellow-teacher who worked in the classroom next to yours for so many years, think again. The expanding capabilities of the Internet can help you find and get in touch with people from your past.

Information from: *The Internet, Wall Street Journal*, December 6, 1999.

# 1999 State Legislative Session

The Legislature has completed its work for 1999. All of the following bills have successfully moved through the Legislature and, except where otherwise noted, were signed into law.

If legislation became law, the benefits became effective on January 1, 2000, unless the bill provides otherwise.

## Assembly Bills

### **AB 311 (Honda) vetoed**

Would have added three new elected members to the Teachers' Retirement Board commencing January 1, 2001.

### **AB 335 (Mazzoni)—Chapter 40, Statutes of 1999\***

Effective immediately, extends the earnings limitation exemption to educators who retired on or before July 1, 1998, and who returned to the classroom due to the Grade 9 Class-Size Reduction program and future expansions of the class size reduction programs.

### **AB 819 (PER&SS)—Chapter 163, Statutes of 1999\***

Establishes the Replacement Benefits Program in compliance with federal law to permit CalSTRS to pay the full allowance payable under the CalSTRS retirement formula. The bill also requires CalSTRS to restore benefits to certain members previously limited by federal law.

### **AJR 9 (PER&SS)—Chapter 40, Statutes of 1999\***

Resolution requesting the President and the Congress of the United States not to require mandatory Social Security coverage on noncovered state and local government employees in any Social Security reform legislation.

## Senate Bills

### **SB 159 (Johnston)—Chapter 740, Statutes of 1999\***

An urgency measure that takes effect immediately requires CalSTRS to develop a program to provide health care benefits for members, beneficiaries, children and dependent parents. Implementation of the program would require enactment of a subsequent statute.

### **SB 437 (Rainey)—Chapter 432, Statutes of 1999**

Restores benefits paid in the future to a surviving spouse of a deceased CalSTRS member if the surviving spouse previously lost entitlement to survivor benefits due to remarriage prior to October 16, 1992.

### **SB 713 (Burton)—Chapter 632, Statutes of 1999\***

Establishes minimum annual allowances for current benefit recipients. *See page 1*

### **SB 833 (Ortiz) vetoed**

Would have provided to CalSTRS members who retired in 1998 and whose retirement allowance first became payable in 1998, the benefit enhancements currently available to members who retired after 1998. Also would have increased the benefits of those members who are currently retired, but return to service, and whose total credited service equals or exceeds 30 years, to reflect the career bonus in their entire allowance.

Other bills affecting CalSTRS benefits will be considered by the Legislature this year. The CalSTRS web site ([www.calstrs.ca.gov](http://www.calstrs.ca.gov)) is updated with current information on such legislation.

*\*Board sponsored or co-sponsored bill*



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## How to Reach Us

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California State Teachers'  
Retirement System  
P.O. Box 15275  
Sacramento CA, 95851-0275

**Call CalSTRS Public Service Office:**  
(800) 228-5453  
(916) 229-3870  
(916) 229-3541 for TDD

**Browse CalSTRS Web site at:**  
[www.calstrs.ca.gov](http://www.calstrs.ca.gov)

*When contacting CalSTRS, be sure to  
include your Social Security number.*

### **CalSTRS Vision Statement**

CalSTRS is committed to lifetime security and service that meets the changing needs of California's educators.

### **State of California**

Gray Davis, Governor  
Aileen Adams, State and Consumer Services Secretary

### **Teachers' Retirement Board**

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Statements in this publication are general and the Teachers' Retirement Law is complex and specific. If a conflict arises between information contained in this publication and the law, any decisions will be based on the law and not on this publication.

The CalSTRS *Retired Educator* is published twice a year for retired members and benefit recipients of the California State Teachers' Retirement System. Comments or suggestions may be directed to: Editor, Public Affairs, MS #34, P.O. Box 15275, Sacramento, CA 95851



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